

House File 660 - Introduced

HOUSE FILE 660

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 198)

A BILL FOR

1 An Act relating to sales tax rebates for a raceway facility.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.2A, subsection 2, paragraph g, Code
2 2023, is amended to read as follows:

3 g. Beginning the first day of the quarter following July
4 1, 2014, transfer to the raceway facility tax rebate fund
5 created in [section 423.4, subsection 11](#), paragraph "e", that
6 portion of the sales tax receipts collected and remitted upon
7 sales of tangible personal property or services furnished by
8 retailers at a raceway facility meeting the qualifications of
9 section 423.4, subsection 11, that remains after the transfers
10 required in paragraphs "a" through "f" of this subsection
11 2. This paragraph is repealed June 30, ~~2025~~ 2030, or thirty
12 days following the date on which an amount of total rebates
13 specified in [section 423.4, subsection 11](#), paragraph "c",
14 subparagraph (3), subparagraph division (b), has been provided
15 or thirty days following the date on which rebates cease as
16 provided in [section 423.4, subsection 11](#), paragraph "c",
17 subparagraph (4), whichever is earliest.

18 Sec. 2. Section 423.4, subsection 11, paragraph c,
19 subparagraph (3), unnumbered paragraph 1, Code 2023, is amended
20 to read as follows:

21 The transactions described in paragraph "b" for which sales
22 or use tax was collected and the rebate is sought occurred on
23 or after January 1, 2015, but before January 1, ~~2025~~ 2030.
24 However, the total amount of rebates provided pursuant to
25 this subsection shall not exceed the lesser of the following
26 amounts:

27 Sec. 3. Section 423.4, subsection 11, paragraph c,
28 subparagraph (3), subparagraph division (a), Code 2023, is
29 amended to read as follows:

30 (a) The amount of project costs incurred and paid by the
31 owner or operator on or after May 16, 2018. ~~For purposes of~~
32 ~~this subsection, "project costs" means costs incurred and paid~~
33 ~~by the owner or operator in connection with the construction~~
34 ~~and installation of new property or of modifications to~~
35 ~~existing property if such property upon completion of one or~~

1 ~~more projects becomes or remains part of the raceway facility~~
2 ~~and constitutes the renovation, remodeling, reconstruction,~~
3 ~~expansion, equipping, or improvement of real property that~~
4 ~~comprises the raceway facility. "Project costs" does not~~
5 include any amount of cost that is not substantiated to the
6 department pursuant to subparagraphs (1) and (2) within ninety
7 days of the date it is paid by the owner or operator.

8 Sec. 4. Section 423.4, subsection 11, paragraph g, Code
9 2023, is amended to read as follows:

10 g. This subsection is repealed June 30, 2025 2030, or
11 thirty days following the date on which one million eight
12 hundred thousand dollars in total rebates have been provided
13 and no overpayment of rebates exists, or thirty days following
14 the date on which rebates cease as provided in paragraph
15 "c", subparagraph (4), and no overpayment of rebates exists,
16 whichever is earliest.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 This bill relates to sales tax rebates for a raceway
21 facility.

22 Under current law, the sales tax receipts collected and
23 remitted upon sales of tangible personal property or services
24 furnished by retailers at a raceway facility are rebated to
25 the raceway facility until the earliest occurrence of any of
26 the following: June 30, 2025; the rebate amount equals the
27 project costs incurred by the owner or the total rebate amount
28 equals \$1.8 million, whichever is less; or the ownership of the
29 raceway facility changes.

30 The bill changes the date the rebate program must end from
31 June 30, 2025, to June 30, 2030, if any of the other conditions
32 requiring the end of the program have not been met.

33 The bill strikes the definition of "project costs" which
34 relates to the allowable sales tax rebate amount of the owner
35 or operator of a raceway to the lesser amount of the following:

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1 the project costs incurred and paid by the owner or operator on
2 or after May 16, 2018, or \$1.8 million.